

# EXHIBIT 15

0001

Page 1	Page 3
<p>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK 11 Civ. 07388 (JSR)</p> <p>-----</p> <p>SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. BRIAN H. STOKER, Defendant.</p> <p>-----</p> <p>TRANSCRIPT of BRIAN H. STOKER in the above-entitled matter, as taken by and before LORRAINE B. ABATE, a Certified Shorthand Reporter and Notary Public of the State of New York and Registered Professional Reporter, held at the offices of The Securities and Exchange Commission, Three World Financial Center, New York, New York, on May 3, 2012, commencing at 9:03 a.m., pursuant to Subpoena.</p>	<p>1</p> <p>2 INDEX</p> <p>3</p> <p>4 WITNESS EXAMINATION BY PAGE</p> <p>5 Brian H. Stoker Mr. Infelise 4</p> <p>6</p> <p>7</p> <p>8 EXHIBITS</p> <p>9 EXHIBIT PAGE</p> <p>10 741 Transcript of Testimony taken</p> <p>11 On March 4, 2010 7</p> <p>12 742 Transcript of Testimony taken</p> <p>13 On February 17, 2011 8</p> <p>14 743 E-Mail String Bates numbered</p> <p>15 CITI 185114856-857 38</p> <p>16 744 E-Mail with Attachment Bates Nos.</p> <p>17 CITI 18416633 to 6669 41</p> <p>18 745 E-Mail String Bates numbered</p> <p>19 CITI-STOKER-STIP00000121-123 65</p> <p>20 746 E-Mail Bates No. CITI 19476072 69</p> <p>21 747 E-Mail String with attachment 115</p> <p>22 748 E-Mail String Bates No. CITI 15019692 128</p> <p>23 749 E-Mail Bates No. CITI 18190520 147</p> <p>24 750 E-Mail Bates No. CITI 30701251 149</p> <p>25</p>
Page 2	Page 4
<p>1</p> <p>2 APPEARANCES:</p> <p>3 SECURITIES AND EXCHANGE COMMISSION</p> <p>4 Attorneys for the Plaintiff</p> <p>5 100 F Street N.E.</p> <p>6 Washington, DC 20549</p> <p>7 BY: JANE M.E. PETERSON, ESQ.</p> <p>8 JEFFREY T. INFELISE, ESQ.</p> <p>9 ANDREW FELLER, ESQ.</p> <p>10</p> <p>11 KEKER &amp; VAN NEST, LLP</p> <p>12 Attorneys for Defendant</p> <p>13 633 Battery Street</p> <p>14 San Francisco, CA 94111-1809</p> <p>15 BY: JOHN W. KEKER, ESQ.</p> <p>16 JAN NIELSEN LITTLE, ESQ.</p> <p>17</p> <p>18</p> <p>19 ALSO PRESENT:</p> <p>20 Kevin Marth, Videographer</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>00:00:00:080 1 Stoker - May 3, 2012</p> <p>00:00:00:964 2 THE VIDEOGRAPHER: Good morning. This</p> <p>00:00:01:034 3 is the start of the tape labelled No. 1 of the</p> <p>00:00:04:204 4 videotaped deposition of Mr. Brian Stoker in the</p> <p>00:00:08:008 5 matter of the Securities &amp; Exchange Commission</p> <p>00:00:10:677 6 versus Brian H. Stoker in the United States</p> <p>00:00:13:813 7 District Court for the Southern District of New</p> <p>00:00:16:249 8 York.</p> <p>00:00:17:650 9 The deposition today is being held in</p> <p>00:00:19:185 10 the offices of the Securities and Exchange</p> <p>00:00:20:987 11 Commission located at 3 World Financial Center</p> <p>00:00:23:790 12 in New York, New York on May 3rd, 2012 at</p> <p>00:00:27:494 13 approximately 9:03 a.m.</p> <p>00:00:30:730 14 My name is Kevin Marth. I'm the legal</p> <p>00:00:32:532 15 videographer representing Alderson Reporting.</p> <p>00:00:35:869 16 Our court reporter today is Ms. Lorraine Abate,</p> <p>00:00:38:405 17 also representing Alderson Reporting.</p> <p>00:00:41:074 18 At this time, will counsel please</p> <p>00:00:42:542 19 identify themselves for the record.</p> <p>00:00:44:611 20 MR. INFELISE: I am Jeffrey Infelise,</p> <p>00:00:46:613 21 and with me is Jane Peterson, Andrew Feller</p> <p>00:00:49:282 22 representing the Securities and Exchange</p> <p>00:00:51:117 23 Commission.</p> <p>00:00:52:519 24 MR. KEKER: And I'm John Keker, and with</p> <p>00:00:54:988 25 Jan Little for Keker and Van Nest representing</p>

0005

Page 5			Page 7		
00:00:57:824	1	Stoker - May 3, 2012	00:02:40:326	1	Stoker - May 3, 2012
00:01:04:864	2	Mr. Stoker.	00:02:44:097	2	Q. Sir, are you taking any medication that
00:01:05:532	3	THE VIDEOGRAPHER: Will the court	00:02:46:099	3	would affect your ability to give full, complete
00:01:06:066	4	reporter please swear the witness in, and you	00:02:49:502	4	answers today?
00:01:07:934	5	may proceed.	00:02:50:737	5	A. No.
00:01:08:131	6	BRIAN H. STOKER,	00:02:50:970	6	Q. All right. Now, as I said, you recall
00:01:08:201	7	Having been first duly sworn by a Notary	00:02:55:475	7	giving testimony in this case on two previous
00:01:09:302	8	Public of the State of New York, was	00:02:58:111	8	occasions?
00:01:10:570	9	examined and testified as follows:	00:02:59:446	9	A. I do.
00:01:13:603	10	EXAMINATION BY MR. INFELISE:	00:03:00:213	10	Q. All right. And you recall at that time
00:01:13:673	11	Q. Good morning, Mr. Stoker.	00:03:02:949	11	you were also sworn to tell the truth?
00:01:14:541	12	A. Good morning.	00:03:04:718	12	A. Yes.
00:01:16:810	13	Q. Sir, I know you've given testimony to	00:03:06:252	13	Q. And was your testimony truthful during
00:01:18:878	14	the SEC before in this case, but let me go over just	00:03:09:189	14	those two occasions?
00:01:22:248	15	a few of the ground rules for the deposition.	00:03:10:990	15	A. Yes.
00:01:25:485	16	As you understand, you are under oath.	00:03:11:991	16	Q. Have you had a chance to review the
00:01:28:555	17	The court reporter is going to take down everything	00:03:13:093	17	transcripts of those -- that testimony?
00:01:30:357	18	you say as well as my questions, and we have a	00:03:15:295	18	A. I have.
00:01:32:492	19	videographer. So to make sure we have a clean	00:03:16:262	19	Q. Okay.
00:01:35:195	20	record, make it easy for the court reporter, I would	00:03:18:098	20	MR. INFELISE: I would ask the court
00:01:38:298	21	ask that you wait until I finish my question before	00:03:18:798	21	reporter to mark the next exhibit, Exhibit 741.
00:01:40:233	22	you begin to answer, and I'll try to do the same.	00:03:28:999	22	(Exhibit 741, Transcript of Testimony
00:01:42:435	23	I'll try not to interrupt you.	00:03:29:069	23	taken on March 4, 2010, marked for
00:01:44:104	24	So is that all right with you, sir?	00:03:29:139	24	identification, as of this date.)
00:01:45:338	25	A. Yes.	00:03:29:209	25	Q. All right. Mr. Stoker, just take a
Page 6			Page 8		
00:01:45:538	1	Stoker - May 3, 2012	00:03:32:612	1	Stoker - May 3, 2012
00:01:48:508	2	Q. During the course of this deposition,	00:03:53:600	2	moment and take a look at this.
00:01:50:944	3	your counsel or someone else may state an objection.	00:03:55:635	3	MR. INFELISE: For the record, Exhibit
00:01:54:314	4	That's for the record. But unless counsel tells you	00:03:56:803	4	741 appears to be a transcript of testimony
00:01:57:183	5	you shouldn't answer the question, you have to answer	00:03:59:873	5	given on March the 4th, 2010.
00:01:59:386	6	anyway.	00:04:07:514	6	Q. Do you recognize that, sir?
00:02:01:054	7	Now, we will probably break about every	00:04:09:249	7	A. Sure, yes.
00:02:03:556	8	hour to change the tape, the videotape, but if you	00:04:10:350	8	Q. And is this -- does this appear to be
00:02:07:260	9	need a break at any time in between that, let me know	00:04:12:485	9	the transcript of testimony that you gave on March
00:02:10:497	10	and I'll be happy to do so.	00:04:16:322	10	the 10th, 2010?
00:02:11:798	11	The only thing I would ask is that if	00:04:17:490	11	A. It does.
00:02:12:932	12	there is a question pending, you answer the question	00:04:18:858	12	Q. And is this the testimony that you
00:02:15:301	13	first.	00:04:20:126	13	reviewed?
00:02:15:769	14	Is that all right, sir?	00:04:21:361	14	A. Yes.
00:02:17:137	15	A. Okay.	00:04:27:967	15	MR. INFELISE: Okay. So I'd ask the
00:02:18:038	16	Q. I'll try to make my questions as direct	00:04:29:436	16	court reporter to mark the next exhibit as
00:02:21:608	17	and clear as possible. That might not be the way you	00:04:51:424	17	Exhibit 742.
00:02:24:611	18	see them, but if at any point in time you don't	00:04:55:085	18	(Exhibit 742, Transcript of Testimony
00:02:27:514	19	understand my question, please feel free to ask me to	00:04:55:155	19	taken on February 17, 2011, marked for
00:02:30:383	20	clarify or to try to rephrase, and I'll be happy to	00:04:55:225	20	identification, as of this date.)
00:02:32:552	21	do that. If you don't, I'm going to assume you	00:04:55:295	21	MR. INFELISE: And for the record,
00:02:35:088	22	understand my question and the answer you give is to	00:04:55:962	22	Exhibit 742 is an appears to be a transcript
00:02:38:158	23	the question I've asked.	00:05:00:400	23	of investigative testimony given on February the
00:02:39:225	24	Is that all right, sir?	00:05:03:870	24	17th of 2011.
00:02:39:826	25	A. Okay.	00:05:05:638	25	Q. Mr. Stoker, have you had a chance to

0009

Page 9

00:05:06:840 1 Stoker - May 3, 2012  
 00:05:08:041 2 look at Exhibit 742?  
 00:05:09:442 3 A. I have.  
 00:05:09:642 4 Q. And does that appear to be the  
 00:05:10:944 5 transcript of the testimony you gave on February  
 00:05:14:714 6 17th, 2011?  
 00:05:16:116 7 A. Yes.  
 00:05:16:583 8 Q. And did you review that transcript?  
 00:05:18:818 9 A. I did.  
 00:05:25:892 10 Q. Mr. Stoker, did you do anything to  
 00:05:27:527 11 prepare for today's deposition?  
 00:05:29:696 12 A. Yes.  
 00:05:30:630 13 Q. Other than speaking with your attorney,  
 00:05:32:766 14 did you speak with any other individuals?  
 00:05:35:268 15 A. No.  
 00:05:36:436 16 Q. Did you speak with any attorneys for  
 00:05:38:238 17 Citigroup?  
 00:05:39:973 18 A. No.  
 00:05:43:043 19 Q. Did you review any documents in  
 00:05:44:377 20 preparation for today?  
 00:05:46:713 21 A. I did.  
 00:05:48:548 22 Q. We'll get to those.  
 00:05:50:984 23 Mr. Stoker, are you presently employed?  
 00:05:53:553 24 A. No.  
 00:05:57:123 25 Q. Now, Mr. Stoker, were you employed at

Page 11

00:06:45:538 1 Stoker - May 3, 2012  
 00:06:48:241 2 A. Yes.  
 00:06:50:010 3 Q. Who was your immediate supervisor?  
 00:06:51:811 4 A. Darius Grant.  
 00:06:52:779 5 Q. And was Mr. Grant your supervisor during  
 00:06:56:716 6 the entire time that you worked on the structuring  
 00:06:58:351 7 desk in the CDO group?  
 00:06:58:752 8 A. Yes. Until Darius left the firm in late  
 00:06:59:652 9 2007.  
 00:07:03:323 10 Q. So you were still employed at Citigroup  
 00:07:05:258 11 at that point?  
 00:07:06:593 12 A. Yes.  
 00:07:07:127 13 Q. When did you leave Citigroup?  
 00:07:09:763 14 A. About June 2008.  
 00:07:17:737 15 Q. Sir, prior -- immediately prior to  
 00:07:19:673 16 beginning work at Citigroup, were you employed  
 00:07:22:575 17 anywhere else?  
 00:07:24:544 18 A. I was employed at Merrill Lynch.  
 00:07:26:079 19 Q. And how long were you employed at  
 00:07:28:314 20 Merrill Lynch?  
 00:07:30:083 21 A. I started there after business school in  
 00:07:31:985 22 1998.  
 00:07:34:120 23 Q. So from 1998 to approximately 2005?  
 00:07:36:523 24 A. Yeah. I did an internship there before  
 00:07:38:992 25 business school.

Page 10

00:05:58:858 1 Stoker - May 3, 2012  
 00:05:59:426 2 Citigroup Global Markets Incorporated?  
 00:06:02:796 3 A. Yes.  
 00:06:03:863 4 Q. Now, throughout the deposition, I'm  
 00:06:05:365 5 going to refer to that as just Citigroup; is that all  
 00:06:08:902 6 right?  
 00:06:09:302 7 A. That's okay.  
 00:06:09:936 8 Q. All right. And when did you begin work  
 00:06:11:871 9 at Citigroup?  
 00:06:13:106 10 A. March 2005.  
 00:06:14:908 11 Q. And what was your position when you  
 00:06:16:076 12 began work?  
 00:06:17:043 13 A. I was a director.  
 00:06:19:846 14 Q. You say a director.  
 00:06:22:282 15 In any particular area?  
 00:06:24:084 16 A. Yes. I was structurer -- director of  
 00:06:26:052 17 structuring in the CDO group.  
 00:06:29:923 18 Q. And in 2006 and 2007, did you occupy  
 00:06:33:426 19 that same position on the -- is it the structuring  
 00:06:36:196 20 desk, is that what it's called?  
 00:06:37:364 21 A. Yes.  
 00:06:37:931 22 Q. Did you occupy the same position in the  
 00:06:39:265 23 structuring desk during that time period?  
 00:06:41:001 24 A. I did.  
 00:06:41:968 25 Q. And your title was director?

Page 12

00:07:39:759 1 Stoker - May 3, 2012  
 00:07:41:027 2 Q. Okay. What was your position at Merrill  
 00:07:42:295 3 Lynch immediately prior to leaving in 2005?  
 00:07:46:132 4 A. I was a vice-president. I worked on the  
 00:07:48:101 5 CDO trading desk, ABS CDO trading desk.  
 00:07:52:005 6 Q. ABS, asset-backed securities?  
 00:07:55:342 7 A. CDO trading. It wasn't a desk. It was  
 00:07:57:444 8 just me.  
 00:07:57:744 9 Q. It was just you?  
 00:07:58:912 10 A. Yeah.  
 00:07:59:879 11 Q. And you said you were a trader?  
 00:08:01:781 12 A. Yes.  
 00:08:02:082 13 Q. You were trading. Were you a trader at  
 00:08:04:484 14 Merrill Lynch the entire time that you worked there?  
 00:08:07:187 15 A. No, I wasn't.  
 00:08:09:289 16 Q. Okay. Other than -- well, prior to  
 00:08:11:491 17 being -- trading on the ABS CDOs, what other position  
 00:08:15:695 18 did you hold?  
 00:08:17:697 19 A. Several. First the internship. I was  
 00:08:21:234 20 an intern. And after business school, I started as  
 00:08:26:906 21 an -- I guess a junior trader or assistant trader in  
 00:08:31:044 22 emerging market credit derivatives. Then I joined  
 00:08:34:447 23 the CDO desk. I was an associate. I structured high  
 00:08:40:153 24 yield bond -- high yield bond CDOs and LCOs, and then  
 00:08:47:727 25 I moved to the -- around 2002, I moved to the

0013

Page 13

00:08:52:032 1 Stoker - May 3, 2012

00:08:54:434 2 mortgage-backed trading desk or asset-backed trading

00:08:56:369 3 desk, worked on -- I backed up the home equity loan

00:09:01:708 4 trader, and I worked in CDO syndicate and CDO

00:09:06:713 5 warehouse, and CDO trading.

00:09:11:251 6 Q. Well, let me direct your attention, sir,

00:09:12:819 7 to the time that you were working as a director on

00:09:15:355 8 the structuring desk at Citigroup.

00:09:19:092 9 During that period of time, did you ever

00:09:21:194 10 act as a lead structurer on any specific transaction

00:09:24:097 11 or deals?

00:09:26:599 12 A. Several.

00:09:27:267 13 Q. Several.

00:09:28:768 14 Was that a position that was -- well,

00:09:31:771 15 strike that.

00:09:32:605 16 When you were lead structurer, is that

00:09:35:709 17 commonly referred to as the deal manager?

00:09:40:046 18 A. Yes.

00:09:47:153 19 Q. Okay. And as a lead structurer on a

00:09:48:655 20 specific transaction, what were your

00:09:51:324 21 responsibilities?

00:09:54:661 22 A. Lead structurer responsibilities were to

00:10:01:368 23 work with the collateral manager, to sign the

00:10:05:872 24 engagement letter, then work with other people, more

00:10:10:276 25 junior people on the structuring desk, to structure

Page 15

00:11:25:618 1 Stoker - May 3, 2012

00:11:27:053 2 Q. Was that a CMO?

00:11:28:855 3 A. No.

00:11:29:556 4 Q. It was a CLO?

00:11:30:490 5 A. No, it was just a fund.

00:11:32:125 6 Q. Just a fund. All right.

00:11:34:160 7 Do you recall, sir, at the time that you

00:11:35:929 8 worked on the structuring desk at Citigroup, what

00:11:39:265 9 CDOs you actually structured or acted as lead

00:11:42:002 10 structurer on?

00:11:44:904 11 A. Probably most of them.

00:11:48:475 12 Q. Do you remember any names?

00:11:51:010 13 A. Yes. I remember Tierra Alta was the

00:11:53:179 14 first one I worked on.

00:11:54:781 15 Q. Tierra Alta?

00:11:55:648 16 A. Tierra Alta.

00:11:56:916 17 Q. Tierra Alta.

00:11:58:651 18 A. That was in March 2006, and then after

00:12:01:521 19 that was Diversity managed by Vanderbilt, GIB --

00:12:14:467 20 managed by GIB called FAB, F-A-B. I signed up a deal

00:12:23:343 21 for Elliot -- Elliot Management, but I didn't work on

00:12:25:979 22 the deal afterward.

00:12:26:980 23 Q. Do you recall the name of that deal?

00:12:29:282 24 A. I don't.

00:12:29:883 25 Q. Okay.

Page 14

00:10:12:512 1 Stoker - May 3, 2012

00:10:13:413 2 the CDO which was working with other experts,

00:10:18:151 3 lawyers, rating agencies, syndicate, to put together

00:10:25:091 4 all the -- gather all the documents, and perform --

00:10:30:530 5 go through a checklist of things to model the

00:10:36:336 6 transaction according to the rating agency criteria,

00:10:39:239 7 and then move it through closing.

00:10:42:175 8 Q. All right. And you said syndicate. Was

00:10:44:477 9 that -- are you referring to the syndicate desk in

00:10:46:246 10 the CDO group?

00:10:47:113 11 A. I am.

00:10:47:914 12 Q. Did you also coordinate or work with the

00:10:51:284 13 secondary trading desk in the CDO group?

00:10:55:488 14 A. Sometimes.

00:10:57:057 15 Q. All right. Did you structure anything

00:10:59:426 16 other than CDOs during the time you were at

00:11:01:194 17 Citigroup?

00:11:07:067 18 A. Toward the end of my time there, I

00:11:08:868 19 worked on some funds.

00:11:10:937 20 Q. What do you mean by funds?

00:11:12:305 21 A. Well, I don't recall. I think it was a

00:11:16:976 22 hedge fund that was raising money to invest in

00:11:19:913 23 mortgage-backed securities.

00:11:21:715 24 Q. All right. But that was not a CDO?

00:11:24:417 25 A. That's right.

Page 16

00:12:32:285 1 Stoker - May 3, 2012

00:12:34:254 2 A. I signed up Ridgeway 1 managed by Credit

00:12:36:723 3 Suisse.

00:12:38:892 4 Q. When you say signed up, does that mean

00:12:40:994 5 you were the structurer or you just made a contact

00:12:43:830 6 for it?

00:12:46:666 7 A. I was the initial contact, and then when

00:12:48:635 8 I say signed up, I mean probably I worked on it less

00:12:51:004 9 as -- on Ridgeway 1, I worked on it all the way

00:12:53:173 10 through. Excuse me.

00:12:54:374 11 Q. All right.

00:13:00:680 12 A. Should I go on?

00:13:01:648 13 Q. Please.

00:13:01:981 14 A. I worked on Ridgeway 2.

00:13:04:617 15 Q. Were you the lead structurer on Ridgeway

00:13:06:186 16 2?

00:13:07:654 17 A. Ridgeway 2 I signed up and then worked

00:13:09:522 18 on much less going forward. Around fall 2006, I

00:13:18:198 19 started signing up deals and then other people

00:13:20:834 20 started to work on them more than me; whereas in the

00:13:23:703 21 initial -- prior to that, I worked on them very

00:13:26:439 22 heavily. So Ridgeway 2, Class V III, Octonion, 888.

00:13:39:119 23 Q. I'm sorry, Octonion, were you the lead

00:13:42:222 24 structurer? Is that another one where you just

00:13:43:623 25 signed it up and as you said, other people worked on

0017

Page 17			Page 19		
00:13:46:092	1	Stoker - May 3, 2012	00:15:31:297	1	Stoker - May 3, 2012
00:13:48:528	2	it?	00:15:32:032	2	A. Same as Adams Square. I signed it up,
00:13:48:595	3	A. I signed it up and didn't work on it.	00:15:33:333	3	and then became less involved as the deal was signed
00:13:49:529	4	Q. Was somebody else assigned to it as the	00:15:35:435	4	up.
00:13:50:664	5	lead structurer and manager?	00:15:36:569	5	Q. When you say became less involved, do
00:13:52:966	6	A. Yes.	00:15:38:772	6	you mean because the other people assigned to it were
00:13:53:967	7	Q. What about the 888 Tactical, were you	00:15:41:141	7	doing most of the work?
00:13:57:837	8	the deal manager in that CDO?	00:15:42:375	8	A. That's right.
00:13:59:673	9	A. I signed it up. Then I didn't work on	00:15:45:278	9	Q. Did you still have overall
00:14:01:441	10	it afterward.	00:15:47:180	10	responsibility for Class V III on the structuring
00:14:01:708	11	Q. All right. Do you recall whether you	00:15:51:317	11	desk?
00:14:07:047	12	were -- had any involvement in CDOs designated as	00:15:52:352	12	A. To the extent there were any problems
00:14:11:618	13	Adams Square?	00:15:53:620	13	that people working on it would ask me, yes.
00:14:13:386	14	A. I signed it up, and then didn't work on	00:15:57:057	14	Q. All right, sir. Of the ones that you
00:14:15:522	15	it much afterward.	00:16:03:563	15	just mentioned that -- the CDOs, do you recall how
00:14:16:589	16	Q. Was that Adams Square 1, Adams Square 2?	00:16:05:598	16	many of them contained at least some synthetic
00:14:19:626	17	A. Adams Square 2.	00:16:09:502	17	assets?
00:14:22:328	18	Q. So you didn't act as the deal manager in	00:16:16:009	18	A. I don't recall.
00:14:24:397	19	Adams Square 2?	00:16:17:110	19	Q. What about Adams Square, do you recall
00:14:25:532	20	A. As the deal manager, what they would	00:16:18:845	20	whether or not Adams Square had any synthetic assets?
00:14:27:100	21	call the senior structurer involved, so I signed it	00:16:21:881	21	A. I do. It did.
00:14:29:769	22	up, so I might still be called the deal manager even	00:16:23:483	22	Q. And Class V III, that had synthetic
00:14:32:539	23	though my involvement became much less and less	00:16:25:919	23	assets?
00:14:35:542	24	compared to what it had been in prior deals.	00:16:26:353	24	A. It did.
00:14:37:610	25	Q. Let me ask you this; were there more	00:16:27:787	25	Q. How about Ridgeway, was it Ridgeway 2 or
Page 18			Page 20		
00:14:38:611	1	Stoker - May 3, 2012	00:16:31:057	1	Stoker - May 3, 2012
00:14:39:412	2	than one director on the structuring desk in	00:16:31:257	2	both?
00:14:42:082	3	2006-2007?	00:16:32:359	3	A. Ridgeway 1, maybe a tiny bit. But I
00:14:44:351	4	A. There were.	00:16:36:930	4	don't remember. Ridgeway 2 did have synthetic
00:14:45:285	5	Q. All right. And when you talked about	00:16:39:733	5	assets.
00:14:47:554	6	signing up Adams Square, once you signed it up, was	00:16:40:800	6	Q. All right. Thank you.
00:14:51:257	7	it handed off to another director in the structuring	00:16:42:769	7	Do you recall a CDO called Topanga?
00:14:54:160	8	desk?	00:16:47:007	8	A. Barely.
00:14:54:661	9	A. No.	00:16:48:274	9	Q. Do you recall whether you had any
00:14:55:462	10	Q. So you still were the deal manager, but	00:16:49:476	10	involvement in Topanga?
00:14:58:164	11	you had people working for you on that deal?	00:16:51:444	11	A. I didn't have any involvement.
00:15:01:301	12	A. People working on that deal. They	00:16:53:046	12	Q. No, none at all?
00:15:02:502	13	didn't necessarily work for me. These people didn't	00:16:55:949	13	A. I know it was happening. No, not
00:15:05:872	14	formally work for me, but they did assist on that	00:16:58:752	14	involvement.
00:15:09:142	15	deal, yes.	00:16:59:686	15	Q. So someone other than you was the deal
00:15:09:809	16	Q. Were they assigned to those deals to	00:17:01:287	16	manager in Topanga?
00:15:11:411	17	work on?	00:17:02:489	17	A. That's right.
00:15:11:945	18	A. They were.	00:17:09:262	18	Q. Sir, as a lead structurer in a
00:15:12:245	19	Q. All right. So I take it, then, you were	00:17:10:930	19	transaction or as the deal manager, do you have any
00:15:17:050	20	the deal manager in Adams Square?	00:17:13:400	20	responsibility for reviewing any of the marketing
00:15:20:320	21	A. Well, I signed it up and then formally I	00:17:16:503	21	materials that were used to market the CDO?
00:15:22:555	22	guess you could say I was the deal manager. I became	00:17:21:374	22	A. To the extent people had questions, I
00:15:26:626	23	less involved as the deal went on, yes.	00:17:23:476	23	worked on it and I tried hard to make sure those
00:15:29:062	24	Q. What about Class V III, were you the	00:17:25:512	24	documents were accurate.
00:15:30:797	25	deal manager on Class V III?	00:17:27:881	25	Q. So that was part of your responsibility



0021

Page 21

00:17:29:416 1 Stoker - May 3, 2012

00:17:30:317 2 as the deal manager, to actually review those for

00:17:31:685 3 accuracy?

00:17:36:322 4 A. I'm sorry, could you repeat the

00:17:37:057 5 question.

00:17:37:958 6 Q. Was it part of your responsibilities as

00:17:39:759 7 the deal manager in a specific CDO to review the

00:17:43:363 8 marketing materials to determine their -- if they

00:17:45:765 9 were accurate?

00:17:46:700 10 A. Well, with a focus in areas that

00:17:48:368 11 structurers were experts in.

00:17:51:671 12 Q. So you did have responsibility, some

00:17:53:406 13 responsibility for that?

00:17:56:009 14 A. On the parts that structurers were

00:17:57:911 15 experts in.

00:18:02:148 16 Q. And did that responsibility include

00:18:04:951 17 reviewing any offering memorandum that was used to

00:18:08:722 18 market the CDO?

00:18:11:891 19 A. I did review the offering memorandums

00:18:15:328 20 with a focus on the parts that structurers were most

00:18:18:898 21 familiar with.

00:18:19:866 22 Q. And what parts were those?

00:18:21:901 23 A. Priority payments, the economic terms

00:18:23:503 24 and priority payments, tranches, the size of the

00:18:26:506 25 tranches, the spreads in those tranches, portfolio

Page 23

00:19:37:010 1 Stoker - May 3, 2012

00:19:39:179 2 A. No.

00:19:39:346 3 Q. Not at all?

00:19:42:882 4 A. For preparing it?

00:19:43:850 5 Q. Yes, preparing it.

00:19:44:784 6 A. No.

00:20:23:323 7 Q. I think you said this, sir, but let me

00:20:24:591 8 make sure.

00:20:24:924 9 Did you say that you did have

00:20:26:393 10 responsibility for ensuring that the offering

00:20:28:161 11 circular, offering memorandum, was accurate?

00:20:30:363 12 MR. KEKER: Asked and answered. Object

00:20:32:031 13 on that ground.

00:20:34:200 14 A. I had responsibility for focusing on the

00:20:36:302 15 sections that I was most familiar with.

00:20:39:472 16 Q. But my question was did you have

00:20:42:075 17 responsibility as a deal manager to attempt to ensure

00:20:46:179 18 that the information contained in the offering

00:20:47:847 19 memorandum was accurate?

00:20:49:082 20 MR. KEKER: Asked and answered.

00:20:51:151 21 A. I was to review the offering circular,

00:20:54:954 22 and if something was not right, I could point it out,

00:20:58:158 23 but my focus and my main responsibility was to focus

00:21:01:227 24 on the sections that I knew most about.

00:21:07:033 25 Q. Sir, as part of your responsibilities as

Page 22

00:18:30:477 1 Stoker - May 3, 2012

00:18:31:111 2 profile limits.

00:18:32:679 3 Q. And did you review any other portions of

00:18:34:914 4 the offering memorandum to determine that they were

00:18:36:783 5 accurate and complete?

00:18:38:752 6 A. I may have glanced at them, but my goal

00:18:40:286 7 wasn't to determine whether or not other sections

00:18:43:490 8 were -- a tax section and a conflict section was

00:18:47:427 9 accurate and complete.

00:18:49:362 10 Q. Sir, was it your responsibility as the

00:18:51:231 11 deal manager to review the entire offering

00:18:54:134 12 memorandum?

00:18:57:137 13 A. To review it, yes, but not -- it wasn't

00:19:00:640 14 my responsibility to ensure that other sections

00:19:03:643 15 were -- that I was not an expert in, were accurate or

00:19:06:546 16 complete.

00:19:07:380 17 Q. If, in reviewing that offering

00:19:08:948 18 memorandum in its entirety, you recognized that there

00:19:15:155 19 were -- certain things were inaccurate, would you

00:19:18:491 20 take any action to try and get those corrected?

00:19:21:227 21 A. Of course.

00:19:26:599 22 Q. And sir, as part of your

00:19:28:301 23 responsibilities as deal manager in a CDO, did you

00:19:32:005 24 have responsibility for actually preparing portions

00:19:34:974 25 of the offering memorandum?

Page 24

00:21:21:314 1 Stoker - May 3, 2012

00:21:22:282 2 a deal manager in a CDO, did you coordinate with the

00:21:24:918 3 attorneys, various attorneys who reviewed the

00:21:29:289 4 documents associated with that CDO?

00:21:32:258 5 MR. KEKER: Objection. The question is

00:21:35:095 6 vague. You've asked him about a lot of CDOs and

00:21:37:998 7 he had different responsibilities with respect

00:21:40:000 8 to them, and I would ask you to be more

00:21:41:501 9 specific.

00:21:42:235 10 MR. INFELISE: Well, I think I qualified

00:21:44:604 11 concerning -- let me restate it.

00:21:47:240 12 Q. My question was, sir, on those CDOs in

00:21:49:209 13 which you were deal manager, did your

00:21:52:379 14 responsibilities include coordinating with the

00:21:54:414 15 attorneys who reviewed the documents related to that

00:21:57:651 16 specific CDO?

00:21:59:719 17 A. I coordinated with attorneys on early

00:22:01:688 18 deals that I worked on, where I was really the deal

00:22:05:892 19 manager and it was me and one other person working on

00:22:07:961 20 the deal. On other deals, I did not coordinate with

00:22:10:597 21 the attorneys. Somebody else had that role.

00:22:13:867 22 Q. Somebody else had the role.

00:22:15:460 23 Was that someone who actually was

00:22:17:771 24 working on the CDO and under your supervision?

00:22:22:208 25 A. They were junior to me, and if they had

0025

Page 25

00:22:24:110 1 Stoker - May 3, 2012

00:22:26:012 2 questions, they would ask me. They could ask me

00:22:28:448 3 questions, but yeah, that junior person was

00:22:30:283 4 coordinating with the lawyer.

00:22:30:784 5 Q. And that junior person who -- was

00:22:31:685 6 someone who was actually assigned to work on that

00:22:32:786 7 specific deal?

00:22:33:086 8 A. That's right.

00:22:33:853 9 Q. And as the deal manager, you had overall

00:22:37:357 10 responsibility for that specific CDO, did you not?

00:22:41:528 11 A. To the extent there were questions,

00:22:43:630 12 Darius might ask me or to the -- somebody might ask

00:22:47:300 13 me questions or if they had a question, they would

00:22:48:835 14 ask me.

00:22:49:903 15 Q. But my question was with respect to --

00:22:52:038 16 and I'm not talking about Mr. Grant. I'm talking

00:22:53:907 17 about the individuals who were actually assigned to

00:22:56:242 18 work on specific CDOs.

00:23:00:013 19 Even though there were other people

00:23:01:181 20 assigned to work on that CDO, as the deal manager,

00:23:03:283 21 you had overall responsibility for that specific CDO,

00:23:06:853 22 did you not?

00:23:07:487 23 A. Well, I had some responsibility and some

00:23:09:522 24 people might have considered me the deal manager, but

00:23:11:925 25 I really wasn't that involved after the deal was

Page 27

00:23:57:370 1 Stoker - May 3, 2012

00:23:59:539 2 designated the deal manager. It was a transition

00:24:01:074 3 process where Keith was being elevated to a role

00:24:04:744 4 where he was taking charge of the deals.

00:24:09:082 5 Q. So had he in fact been -- assumed the

00:24:11:951 6 duties as deal manager of Class V Funding III?

00:24:16:256 7 A. Pretty well had.

00:24:17:357 8 Q. And when did that happen?

00:24:19:659 9 A. Right around this time.

00:24:21:594 10 Q. And did Mr. Grant -- was he aware of

00:24:25:065 11 that fact?

00:24:26:466 12 A. I don't know.

00:24:28:935 13 Q. Did you ever tell Mr. Grant Mr. Pinniger

00:24:31:805 14 is now assuming the responsibility as deal manager in

00:24:34:174 15 Class V III?

00:24:37:477 16 A. I can't -- I don't remember.

00:24:39:145 17 Q. Would that be a normal thing to do, if

00:24:41:581 18 in fact someone was assuming overall responsibility

00:24:44:250 19 for a CDO?

00:24:47:587 20 A. There was no process for promoting

00:24:50:457 21 people or people's responsibilities increasing

00:24:53:026 22 gradually over time.

00:24:54:294 23 Q. Well, but my question is this,

00:24:56:463 24 Mr. Stoker; if you have a CDO such as Class V Funding

00:25:01:067 25 III which was going to have a notional value of about

Page 26

00:23:14:761 1 Stoker - May 3, 2012

00:23:16:096 2 signed up. And some people might have considered

00:23:16:996 3 Keith to be the deal manager.

00:23:18:364 4 Q. Keith, meaning Mr. Pinniger?

00:23:19:699 5 A. Yes.

00:23:20:333 6 Q. And who would have considered

00:23:21:101 7 Mr. Pinniger to be a deal manager -- well let's be

00:23:23:436 8 specific. Let's talk about Class V III.

00:23:26:573 9 Did anyone that you're aware of in the

00:23:28:074 10 structuring desk consider Mr. Pinniger to be the deal

00:23:30:543 11 manager in Class V Funding III?

00:23:33:213 12 A. I think Keith may have.

00:23:34:981 13 Q. Keith may have?

00:23:35:482 14 A. Yes.

00:23:35:882 15 Q. How about Mr. Grant?

00:23:38:051 16 A. I don't know.

00:23:39:552 17 Q. All right. How about Mr. -- do you know

00:23:41:054 18 who Mr. Shalabh Mehrish is?

00:23:43:656 19 A. I do.

00:23:44:557 20 Q. Do you know if Mr. Mehrish considered

00:23:46:660 21 Mr. Pinniger the deal manager?

00:23:49:062 22 A. I don't know.

00:23:50:230 23 Q. Was Mr. Pinniger ever designated as the

00:23:52:365 24 deal manager in Class V Funding III?

00:23:55:235 25 A. Nobody was ever -- I don't think

Page 28

00:25:03:903 1 Stoker - May 3, 2012

00:25:04:571 2 a billion dollars, and there is someone else who was

00:25:07:040 3 assuming overall responsibility for that deal,

00:25:09:576 4 wouldn't the normal procedure be to specifically

00:25:13:013 5 designate or at least, tell Mr. Grant who was head of

00:25:15:582 6 the structuring desk, that was happening?

00:25:17:684 7 MR. KEKER: Objection, argumentative.

00:25:20:520 8 A. There was no normal procedure. I sign

00:25:22:355 9 up the deal. I was manager, deal manager initially,

00:25:25:425 10 and transitioned to Keith being more involved in

00:25:29:062 11 taking on that role, and there was a gradual process

00:25:31:297 12 as Keith started and worked well on deals and then it

00:25:35:101 13 was time for him to increase his role.

00:25:38:538 14 Q. I see. But I take it there was no

00:25:41:274 15 specific point in time when Mr. Pinniger was

00:25:44:177 16 designated as the deal manager or lead structurer on

00:25:47:080 17 Class V Funding III; is that correct?

00:25:49:149 18 A. I don't think there was any special

00:25:51:384 19 designations ever.

00:25:53:553 20 Q. Okay. As a deal manager, you did have

00:25:57:123 21 responsibility providing information to the attorneys

00:26:00:226 22 who were reviewing, for example, the offering

00:26:02:328 23 memorandum; is that accurate?

00:26:06:533 24 A. Speaking in general or?

00:26:07:968 25 Q. In general, yes.



0029

Page 29

00:26:09:302 1 Stoker - May 3, 2012

00:26:10:570 2 A. If the lawyers had questions, sure, we

00:26:12:772 3 would -- structurers would, of course, answer them.

00:26:14:741 4 Q. All right. Now, but my question was

00:26:17:877 5 more specific, and that is, did you have

00:26:20:947 6 responsibility to affirmatively provide information

00:26:24:851 7 to the attorneys who were reviewing the offering

00:26:27:253 8 memorandum for a CDO?

00:26:29:022 9 MR. KEKER: Objection, vague.

00:26:31:491 10 A. Well, if there was something interesting

00:26:32:792 11 that I thought that I should tell the lawyers about,

00:26:35:595 12 I would, of course, tell them.

00:26:37:764 13 Q. Do you recall whether or not you, with

00:26:40:700 14 respect to Class V Funding III, specifically provided

00:26:44:838 15 input to the attorneys reviewing the offering

00:26:48:008 16 memorandum for Class V Funding III?

00:26:51:378 17 A. I don't remember talking to them.

00:26:53:213 18 Q. Do you recall having any communications

00:26:55:248 19 with them?

00:26:56:983 20 A. Not particularly, no.

00:26:57:851 21 Q. All right. Who would provide the

00:27:03:056 22 attorneys reviewing an offering memorandum the

00:27:05:058 23 information about the specific deal that they were

00:27:08:094 24 reviewing?

00:27:12:432 25 A. Whoever is assigned to that role. In

Page 31

00:28:11:057 1 Stoker - May 3, 2012

00:28:11:825 2 of time trying to modify those documents, didn't you,

00:28:13:893 3 sir?

00:28:14:294 4 A. I did.

00:28:16:863 5 Q. What -- specifically, what documents did

00:28:18:832 6 you attempt to standardize?

00:28:22:802 7 A. I tried to standardize the offering

00:28:25:372 8 memorandum and the indenture.

00:28:27:540 9 Q. Indenture. What about -- do you know

00:28:29:276 10 what I mean when I refer to a flip book?

00:28:32:679 11 A. I do.

00:28:34:981 12 Q. What exactly do you understand a flip

00:28:36:483 13 book to mean?

00:28:37:217 14 A. It's a Power Point presentation about 40

00:28:40:053 15 pages long that described a CDO transaction.

00:28:44:291 16 Q. And did you make any effort to attempt

00:28:46:092 17 to standardize the flip books that were used for

00:28:49:095 18 various CDOs?

00:28:52:031 19 A. I don't think so.

00:28:56:469 20 Q. If there was synthetic assets in a CDO,

00:28:59:939 21 was there something called a CDS agreement?

00:29:04:744 22 A. I believe so.

00:29:05:712 23 Q. Now, did you make any effort to look at

00:29:07:614 24 that and attempt to standardize the terms in those

00:29:10:550 25 CDS agreements for use in any CDO?

Page 30

00:27:14:067 1 Stoker - May 3, 2012

00:27:14:301 2 this case, it was Keith Pinniger who was assigned to

00:27:16:036 3 that role.

00:27:16:970 4 Q. You had no part of that?

00:27:19:906 5 A. Minimal, if any.

00:27:21:307 6 Q. I see. And did you do anything to

00:27:23:109 7 attempt to supervise Mr. Pinniger concerning

00:27:26:212 8 information that was to be provided to the attorneys

00:27:28:848 9 who were reviewing the offering memorandum for Class

00:27:31:451 10 V III?

00:27:32:953 11 A. Well, I talked to Keith as needed.

00:27:35:989 12 Q. Okay. Now, sir, while you were at

00:27:39:492 13 Citigroup, did you make any effort to try to

00:27:41:294 14 standardize the documents that were used for each of

00:27:46:099 15 the various CDOs?

00:27:48:134 16 A. I did.

00:27:48:835 17 Q. And why did you do that?

00:27:50:804 18 A. My goal was to make them as clear and

00:27:52:338 19 concise as possible so that as they were updated for

00:27:56:343 20 new deals, investors would be able to see -- would be

00:27:59:813 21 able to focus on key terms. Not only investors, but

00:28:02:048 22 every party involved, rating agency, managers,

00:28:05:185 23 structurers, I wanted everybody to see the key parts

00:28:08:621 24 of the deal.

00:28:09:089 25 Q. All right. And in fact, you spent a lot

Page 32

00:29:11:484 1 Stoker - May 3, 2012

00:29:11:818 2 A. No.

00:29:17:257 3 Q. And sir, was it your goal to, in fact,

00:29:19:059 4 have all -- have your deal documents -- strike that.

00:29:22:195 5 Sir, was it your goal in 2006 to 2007 to

00:29:27:033 6 have your deal documents used in all new CDOs at

00:29:32:072 7 Citigroup?

00:29:33:573 8 A. I hoped it would be the base for most

00:29:36:042 9 documents -- most similar CDOs, yes.

00:29:39:112 10 Q. Sir, wouldn't -- when preparing an

00:29:43:016 11 offering memorandum for a specific CDO, was it a

00:29:46:753 12 standard practice to use the offering memorandum from

00:29:50:790 13 a prior deal as a template for the new one?

00:29:53:560 14 A. Yes.

00:30:02:202 15 Q. Okay. Sir, on the CDOs in which you

00:30:03:903 16 acted as the deal manager or lead structurer, did any

00:30:09:142 17 of those CDOs employ an asset manager?

00:30:15:081 18 A. Yes.

00:30:15:715 19 Q. All right. Do you recall which ones?

00:30:19:486 20 A. I think all of them.

00:30:21:955 21 Q. Okay. And was the reason that an asset

00:30:26:526 22 manager was employed was because that was considered

00:30:29:429 23 important in order to have investors be willing to

00:30:34:968 24 invest in the CDO?

00:30:38:405 25 A. That was one of the considerations.

0033

Page 33			Page 35		
00:30:43:309	1	Stoker - May 3, 2012	00:33:05:118	1	Stoker - May 3, 2012
00:30:43:910	2	Q. Well, sir, wasn't it recognized by the	00:33:22:135	2	Sir, you'll recognize it's an e-mail
00:30:44:744	3	end of 2006 that investors did not like static deals	00:33:23:870	3	string, and it's in reverse chronological order with
00:30:49:282	4	and wanted managers, asset managers?	00:33:26:940	4	the earliest e-mail being actually, at the bottom of
00:30:51:851	5	A. Well, it was a balance of I think on a	00:33:32:312	5	the page.
00:30:55:622	6	static deal, investors would ask for some more spread	00:35:16:583	6	A. Okay.
00:30:59:192	7	to investment.	00:35:17:050	7	Q. All right, sir. And you see at the top
00:31:01:795	8	Q. But specifically, sir, wasn't it true	00:35:19:853	8	e-mail it appears to be from Grant, Darius, and if
00:31:03:530	9	that by the end of 2006, investors did not like	00:35:24:591	9	you look at the addressees, sir, it appears that
00:31:07:333	10	static deals, and in fact, they wanted asset managers	00:35:27:127	10	Stoker, Brian, is one of the individuals who received
00:31:10:270	11	in the CDOs that they invested in?	00:35:30:030	11	this e-mail.
00:31:12:839	12	MR. KEKER: Objection. Vague, and	00:35:31:131	12	A. Yes.
00:31:16:242	13	impossible to answer what all investors thought.	00:35:31:631	13	Q. Do you have any recollection of
00:31:20:847	14	Q. You can answer.	00:35:32:866	14	receiving this e-mail?
00:31:22:949	15	A. Yeah, it is, you know, too general.	00:35:34:000	15	A. No.
00:31:26:019	16	Some investors preferred no manager. They didn't	00:35:34:868	16	Q. Now, the address, the e-mail address
00:31:28:555	17	want to -- they didn't think the manager was worth	00:35:37:170	17	there, it says BS42208@IMCNAM.SSMB.com.
00:31:30:957	18	the management fee.	00:35:45:378	18	Do you recognize that e-mail address?
00:31:32:692	19	Q. Well, sir, do you recall whether or not	00:35:48:248	19	A. Well, I understand the code somewhat.
00:31:34:127	20	there was a belief at Citigroup during this time	00:35:51:351	20	Q. What is the code?
00:31:37:130	21	period investors, in general, did not like static	00:35:53:153	21	A. It was my employee ID at Salomon Smith
00:31:42:369	22	deals, and they in fact wanted asset managers?	00:35:56:222	22	Barney.com.
00:31:45:705	23	MR. KEKER: Same objection.	00:35:59:392	23	Q. Now, sir, is this an e-mail address that
00:31:47:073	24	A. Well, this is really Shalabh's area as	00:36:02:562	24	you were using during the period December 14 -- or on
00:31:49:209	25	part of the syndicate desk to talk to investors, and	00:36:05:966	25	December 14, 2006?
Page 34			Page 36		
00:31:51:444	1	Stoker - May 3, 2012	00:36:08:134	1	Stoker - May 3, 2012
00:31:54:881	2	it would be his opinion on how hard it would be to	00:36:09:869	2	A. No.
00:31:56:416	3	sell where the investors demand more spread, how	00:36:10:503	3	Q. You didn't use it at all?
00:31:57:684	4	much -- how much more spread, what the investors	00:36:11:771	4	A. No.
00:31:59:352	5	require.	00:36:12:472	5	Q. Did you receive e-mails at this address?
00:32:01:020	6	Q. You say Shalabh. Is that Mr. Mehrish?	00:36:15:542	6	A. No. This is a code generated by
00:32:03:123	7	A. Yes.	00:36:18:044	7	internal Citigroup computer system. If you send me
00:32:03:957	8	Q. But my question was did you have an	00:36:20:980	8	an e-mail at B.Stoker@Citi.com, it may show up like
00:32:05:425	9	understanding concerning --	00:36:25:752	9	this.
00:32:06:793	10	MR. KEKER: That wasn't your question.	00:36:26:453	10	Q. I see. Do you have any reason to
00:32:07:761	11	I object to the preamble.	00:36:27:954	11	believe you didn't receive this e-mail?
00:32:10:163	12	Q. All right. Did you have an	00:36:29:789	12	A. No.
00:32:12:966	13	understanding whether or not there was a belief at	00:36:29:989	13	Q. All right. If you would look at the
00:32:15:568	14	Citigroup by the end of 2006 that investors	00:36:32:259	14	bottom of the first page, the e-mail. It says to be
00:32:20:307	15	preferred -- did not want static deals, but preferred	00:36:35:528	15	from a Ratul, Roy, and again, this is addressed to
00:32:23:810	16	asset managers?	00:36:39:799	16	several individuals, including Stoker, Brian. And on
00:32:27:280	17	A. I recall that some investors would	00:36:45:405	17	the second page, his next point, more static deals
00:32:29:616	18	require more spread for them to invest in a static	00:36:50:110	18	often out of "corroboration" desk.
00:32:33:953	19	deal or a deal with no manager.	00:36:53:213	19	Do you see that, sir?
00:32:41:194	20	Q. Okay.	00:36:54:180	20	A. I do.
00:32:49:469	21	MR. INFELISE: This has been previously	00:36:54:714	21	Q. What is a correlation desk?
00:32:51:071	22	marked as Exhibit No. 613, a two-page document	00:36:59:052	22	A. Well, for example, at Citigroup, there
00:32:56:109	23	Bates numbered CITI 14960157-158.	00:37:00:954	23	is another desk and not in the CDO group that was --
00:33:02:415	24	Q. I hand this to you, Mr. Stoker, and take	00:37:05:191	24	put together correlation trades where all synthetic
00:33:03:883	25	a moment to read through it.	00:37:08:628	25	trades and the -- it was kind of a trading desk, and

0037

Page 37

00:37:13:666 1 Stoker - May 3, 2012

00:37:14:801 2 the desk would be long and short various assets, and

00:37:17:470 3 what they were left with was what they called

00:37:19:506 4 correlation, the correlations among the assets.

00:37:21:941 5 Q. I see. Now, looking at the very first

00:37:23:943 6 page of -- the first e-mail from Darius Grant to

00:37:27:414 7 several individuals, including you, No. 6 appears is

00:37:33:386 8 sent by Mr. Grant.

00:37:34:621 9 Do you see that, sir?

00:37:36:222 10 A. I do.

00:37:37:157 11 Q. Do you have any reason to disagree with

00:37:39:359 12 what Mr. Grant is saying there?

00:37:59:079 13 A. Darius is -- I don't think he speaks for

00:38:00:947 14 all investors.

00:38:02:882 15 Q. My question was do you disagree with

00:38:06:019 16 what he said there?

00:38:08:254 17 MR. KEKER: Now, today or then or what?

00:38:11:524 18 MR. INFELISE: Let's -- thank you.

00:38:12:692 19 Let's say during this period of time. This

00:38:14:761 20 would have been December 14, 2006.

00:38:17:430 21 Q. Did you -- did you disagree with what

00:38:19:866 22 Mr. Grant was saying?

00:38:23:470 23 A. I recall for static deals that investors

00:38:25:338 24 required more --

00:38:25:939 25 MR. KEKER: Why don't you put it down.

Page 38

00:38:26:706 1 Stoker - May 3, 2012

00:38:27:073 2 A. -- more spread. For auto reinvestment

00:38:29:242 3 deals, I don't recall their opinion of them. I don't

00:38:39:285 4 require them valuing, particularly, say, a manager,

00:38:43:356 5 that they could sell deteriorating assets. I don't

00:38:46:526 6 remember investors' opinions on that.

00:38:49:462 7 Q. Do you recall having any conversation

00:38:51:731 8 with Mr. Grant on or about -- on or around December

00:38:54:567 9 14th, 2006 and voicing those statements to him?

00:38:59:372 10 A. No.

00:39:06:146 11 MR. INFELISE: I would ask the court

00:39:06:813 12 reporter to mark the next exhibit, Exhibit 743.

00:39:36:032 13 (Exhibit 743, E-Mail String Bates

00:39:36:103 14 numbered CITI 185114856-857, marked for

00:39:36:172 15 identification, as of this date.)

00:39:36:242 16 Q. Just take a moment, Mr. Stoker, and read

00:39:38:645 17 through that.

00:39:42:115 18 MR. INFELISE: For the record, Exhibit

00:39:48:755 19 743 is a two-page document Bates numbered CITI

00:39:54:160 20 185114856-857.

00:40:06:306 21 A. Okay.

00:40:06:473 22 Q. All right, sir. Have you had a chance

00:40:07:974 23 to look at this e-mail?

00:40:09:242 24 A. I have.

00:40:09:943 25 Q. You will see in the first page, the

Page 39

00:40:11:711 1 Stoker - May 3, 2012

00:40:13:480 2 first e-mail is from Shalabh Mehrish to several

00:40:15:482 3 individuals, including Brian Stoker.

00:40:17:717 4 Do you recall, sir, receiving this

00:40:19:419 5 e-mail?

00:40:20:253 6 A. No.

00:40:20:687 7 Q. Do you have any reason to believe you

00:40:21:821 8 did not?

00:40:23:353 9 A. No.

00:40:23:423 10 Q. All right. And sir, you will see a

00:40:26:559 11 statement there concerning -- by Mr. Mehrish that

00:40:33:300 12 yes, that was my feeling on a static deal without a

00:40:35:702 13 manager. It would be very hard to sell and most of

00:40:38:505 14 our investors will not even look at it.

00:40:42:442 15 Sir, at the time you received this, did

00:40:44:577 16 you have any reason or did you disagree with

00:40:47:947 17 Mr. Mehrish's assessment?

00:40:54:154 18 A. No. He was -- he talked to investors,

00:40:56:723 19 not me, so it's his assessment that mattered, not

00:41:00:060 20 mine.

00:41:00:527 21 Q. Okay. As I understood, sir, did you say

00:41:02:629 22 that -- did you testify that on all the CDOs you

00:41:05:966 23 worked on there was an asset manager?

00:41:08:902 24 A. Yes.

00:41:13:139 25 Q. For any of the CDOs in which you were

Page 40

00:41:14:941 1 Stoker - May 3, 2012

00:41:16:042 2 the deal manager, was the asset manager, to your

00:41:17:877 3 recollection, ever Credit Suisse?

00:41:20:013 4 A. Yes.

00:41:20:680 5 Q. And how many deals, do you recall?

00:41:25:185 6 A. For deals Ridgeway 1, Ridgeway 2, Class

00:41:27:687 7 V III and Adams Square 2.

00:41:43:370 8 Q. Okay. Now, when the structuring desk

00:41:46:506 9 was preparing the offering memorandum for Class V

00:41:50:376 10 Funding III, did you use any other offering

00:41:54:481 11 memorandum as a template, to your recollection?

00:41:57:750 12 A. I believe the template was Adams Square

00:41:59:486 13 2.

00:42:04:090 14 Q. All right. And do you recall whether or

00:42:06:760 15 not during this time period -- strike that.

00:42:09:796 16 Do you recall whether or not during the

00:42:11:898 17 period of time that you were working on preparing the

00:42:15:402 18 marketing materials for Class V Funding III, whether

00:42:18:638 19 you provided, personally provided, specific input to

00:42:22:175 20 the attorneys reviewing the offering memorandum for

00:42:26:579 21 Class V Funding III?

00:42:28:148 22 MR. KEKER: Asked and answered.

00:42:31:551 23 A. I think -- I don't remember if I spoke

00:42:33:520 24 to the attorneys. I did review the offering

00:42:35:588 25 memorandum and the sections in particular that I was

0041

Page 41			Page 43		
00:42:37:590	1	Stoker - May 3, 2012	00:47:07:694	1	Stoker - May 3, 2012
00:42:38:592	2	most -- most involved in, like the priority payments.	00:47:08:928	2	Q. How about to Mr. David Impastato,
00:42:42:562	3	Q. All right. Did you provide specific	00:47:12:932	3	I-M-P-A-S-T-A-T-O?
00:42:44:731	4	input. then. to the attorneys reviewing the offering	00:47:15:101	4	A. I don't know him
00:42:47:200	5	memorandum for Class V Funding III concerning that	00:47:16:236	5	Q. How about Talus Segal, S-E-G-A?
00:42:50:103	6	offering memorandum?	00:47:21:341	6	A. I don't know him.
00:42:51:304	7	A. I may have talked to Keith about it.	00:47:22:876	7	Q. Do you recall why you addressed it to
00:42:53:106	8	Q. Do you recall if you personally provided	00:47:24:277	8	them?
00:42:55:342	9	information directly to the attorneys?	00:47:26:713	9	A. I guess they were assigned to the deal.
00:42:57:677	10	MR. KEKER: Asked and answered.	00:47:29:082	10	Q. Okay. Now, in this e-mail, you say
00:42:59:012	11	A. I don't recall.	00:47:32:552	11	let's discuss tomorrow with Keith and Chaka,
00:43:03:516	12	MR. INFELISE: I ask the court reporter	00:47:35:221	12	C-H-A-K-A.
00:43:07:387	13	to mark the next document. This will be Exhibit	00:47:37:090	13	Does Keith refer to Keith Pinniger?
00:43:18:231	14	744.	00:47:39:192	14	A. Yes.
00:43:24:828	15	(Exhibit 744, E-Mail with Attachment,	00:47:40:060	15	Q. And who is Chaka?
00:43:24:898	16	Bates Nos. CITI 18416633 to 6669, marked for	00:47:41:161	16	A. Chaka Wade.
00:43:24:968	17	identification, as of this date.)	00:47:41:761	17	Q. Who was that?
00:43:25:038	18	MR. INFELISE: For the record, Exhibit	00:47:42:562	18	A. He was a vice president in the
00:43:54:801	19	744, multi-page documents, the Bates Nos. are	00:47:44:297	19	structuring group.
00:43:59:673	20	CITI 18416633 to 6669.	00:47:45:565	20	Q. All right, sir. Now, you've had a
00:46:15:241	21	A. Okay.	00:47:46:699	21	chance to look through the attachment to this e-mail?
00:46:15:909	22	Q. Have you had a chance look through this	00:47:50:336	22	A. I have.
00:46:17:310	23	exhibit, sir?	00:47:51:871	23	Q. Do you recognize that, sir?
00:46:18:745	24	A. I have.	00:47:55:375	24	A. I do.
00:46:19:112	25	Q. The first page appears to be an e-mail	00:47:56:109	25	Q. What is it?
Page 42			Page 44		
00:46:20:346	1	Stoker - May 3, 2012	00:47:57:043	1	Stoker - May 3, 2012
00:46:21:014	2	from Brian Stoker, and here, sir, the address, e-mail	00:47:57:477	2	A. It's my comments I made to the draft
00:46:26:152	3	address, is Brian.Stoker@Citigroup.com.	00:47:59:846	3	offering -- Class V III offering circular.
00:46:29:456	4	Is that your normal -- was that your	00:48:02:582	4	Q. All right. Are your comments here
00:46:31:057	5	normal e-mail address?	00:48:04:751	5	annotated in any way?
00:46:32:592	6	A. I actually don't recall.	00:48:07:654	6	A. Annotated? What do you mean?
00:46:34:260	7	Q. Do you have any reason to believe you	00:48:10:490	7	Q. Well, how do you know which of the
00:46:35:495	8	didn't send this e-mail?	00:48:11:725	8	comments are yours? Are yours the --
00:46:36:663	9	A. No.	00:48:13:426	9	A. They're all mine.
00:46:38:298	10	Q. Sir, it's to several individuals. One	00:48:15:362	10	Q. Let me ask you this; the handwritten
00:46:40:567	11	of them is Elizabeth Besio Harden.	00:48:16:830	11	notes in the margin, are these yours?
00:46:43:336	12	Do you know who that is?	00:48:18:932	12	A. Yeah, the handwritten notes are mine.
00:46:44:504	13	A. Yes.	00:48:20:233	13	Q. All right. Thank you.
00:46:45:038	14	Q. Who is that?	00:48:23:670	14	Now, I see, sir, in looking at this,
00:46:46:473	15	A. She was an attorney working on Class V	00:48:26:039	15	this isn't all the pages for the offering memorandum
00:46:49:743	16	III at Milbank.	00:48:30:143	16	for Class V Funding III, is it?
00:46:51:711	17	Q. Is that Milbank Tweed?	00:48:32:479	17	A. It's not.
00:46:53:012	18	A. Yes.	00:48:33:413	18	Q. All right. Are these the only pages in
00:46:53:813	19	Q. And what was Milbank Tweed's role with	00:48:35:081	19	which you made any comments?
00:46:56:449	20	respect to the Class V III?	00:48:39:519	20	A. It looks that way.
00:46:58:985	21	A. They were counsel. They led the -- they	00:48:40:654	21	Q. To your recollection, were there any
00:47:03:356	22	worked on the deal documents. They were counsel for	00:48:42:289	22	other pages that you made comments on?
00:47:05:225	23	Class V III.	00:48:44:791	23	A. Not to my recollection.
00:47:06:092	24	Q. Were they outside counsel?	00:48:46:226	24	Q. So all the areas in which you made
00:47:07:427	25	A. Yes.	00:48:47:794	25	comments were areas you felt that you had information

0045

Page 45

00:48:51:598 1 Stoker - May 3, 2012

00:48:52:299 2 that could be helpful to the attorneys reviewing

00:48:55:402 3 this; is that accurate?

00:48:56:469 4 A. On this date, these are the comments I

00:48:57:770 5 made -- to my best efforts, to make the documents

00:49:01:541 6 accurate.

00:49:01:975 7 Q. All right. And do you recall whether or

00:49:03:276 8 not you ever provided a similarly-annotated copy of

00:49:07:614 9 the offering circular to the attorneys reviewing the

00:49:10:750 10 documents?

00:49:12:852 11 MR. KEKER: You mean something other

00:49:13:586 12 than this?

00:49:14:087 13 MR. INFELISE: Yes. Something other

00:49:14:754 14 than this. Thank you.

00:49:16:589 15 A. Did I ever make other comments?

00:49:18:191 16 Q. Yes.

00:49:19:359 17 A. Not that I recall.

00:49:25:065 18 Q. Thank you, sir. It appears, and looking

00:49:27:968 19 at the very -- the second page of the document, it

00:49:32:072 20 appears this originally was an offering memorandum

00:49:36:743 21 for Adams Square 2; is that accurate?

00:49:41:548 22 A. Yes.

00:49:42:082 23 Q. All right. And I think you said you

00:49:43:583 24 were the lead structurer in Adams Square 2?

00:49:46:119 25 A. Just like Class V III, yes, I worked on

Page 47

00:50:34:033 1 Stoker - May 3, 2012

00:50:35:769 2 Q. All right. How were the assets in Adams

00:50:37:570 3 Square 2 selected?

00:50:42:342 4 A. Credit Suisse selected them using their

00:50:44:477 5 process.

00:50:45:812 6 Q. And with respect to Adams Square 2,

00:50:48:181 7 before Credit Suisse ever selected them, did

00:50:50:450 8 Citigroup provide a list of potential candidates for

00:50:54:854 9 inclusion in Adams Square 2?

00:50:56:990 10 A. I don't recall.

00:50:58:858 11 Q. In Adams Square 2, do you recall if Citi

00:51:01:061 12 suggested, Citigroup, ever suggested inclusion of any

00:51:04:230 13 assets in Adams Square 2?

00:51:06:699 14 A. I don't know. I wasn't involved in that

00:51:08:068 15 process.

00:51:09:402 16 Q. You weren't involved in it at all?

00:51:12:672 17 A. I was not involved in talking to

00:51:14:474 18 managers about which assets they picked. Traders and

00:51:17:077 19 salespeople talked to them.

00:51:18:712 20 Q. So it's standard and normal practice for

00:51:21:381 21 you not to talk to the asset manager concerning

00:51:26:386 22 specific assets; is that what you're saying?

00:51:28:088 23 A. That's typical.

00:51:29:022 24 Q. Okay. Do you recall whether or not in

00:51:32:792 25 Adams Square 2, Citigroup ever offered to purchase

Page 46

00:49:48:354 1 Stoker - May 3, 2012

00:49:49:756 2 the engagement letter and then didn't work on it much

00:49:53:260 3 afterward.

00:49:53:893 4 Q. But you were the lead structurer,

00:49:55:395 5 weren't you?

00:49:55:795 6 A. No, there was no formal definition of a

00:49:56:830 7 senior structurer --

00:49:57:764 8 Q. Excuse me, I'm sorry.

00:49:58:965 9 Were you taking credit for it with your

00:50:00:166 10 boss?

00:50:00:800 11 A. I did.

00:50:02:235 12 Q. All right. Let me ask you, I think you

00:50:04:504 13 said on Adams Square 2, Credit Suisse was also the

00:50:08:208 14 asset manager?

00:50:10:010 15 A. Yes.

00:50:10:543 16 Q. All right. And sir, did you testify

00:50:17:750 17 that Adams Square 2 did contain some synthetic

00:50:21:020 18 assets?

00:50:21:955 19 A. It did.

00:50:22:656 20 Q. Do you recall what type of synthetic

00:50:24:391 21 assets were in it?

00:50:25:725 22 A. Mostly mortgage-backed securities with

00:50:28:228 23 less -- maybe less than 10 percent CDO.

00:50:30:597 24 Q. So there were some CDOs too?

00:50:33:400 25 A. I believe so.

Page 48

00:51:35:795 1 Stoker - May 3, 2012

00:51:36:863 2 protection on any of the assets included?

00:51:38:765 3 A. In which deal? I'm sorry.

00:51:39:833 4 Q. Adams Square 2.

00:51:41:401 5 A. I don't know.

00:51:42:635 6 Q. Do you recall whether or not with

00:51:43:970 7 respect to Adams Square 2, Citi ever engaged in

00:51:46:906 8 proprietary trades with respect to any of the assets

00:51:49:809 9 included in that CDO?

00:51:52:345 10 A. I don't know.

00:51:53:880 11 Q. Do you recall or do you know whether or

00:51:56:282 12 not with respect to Adams Square 2, Citigroup ever

00:51:59:352 13 took a naked short position in any of the assets,

00:52:02:422 14 synthetic assets, included in that CDO?

00:52:05:692 15 A. I don't know.

00:52:08:261 16 Q. During the time that you were acting as

00:52:10:563 17 the lead structurer in Adams Square 2, did you ever

00:52:13:333 18 have any discussion with anyone on the secondary

00:52:16:036 19 trading desk at Citigroup concerning what assets they

00:52:19:673 20 believed should be included?

00:52:21:574 21 A. Not that I remember.

00:52:22:709 22 Q. Do you recall any discussions with

00:52:25:078 23 anybody on the secondary trading desk with respect to

00:52:27:680 24 Adams Square 2 concerning what assets the secondary

00:52:31:818 25 trading desk liked to purchase protection on?



0049

Page 49

00:52:34:521 1 Stoker - May 3, 2012

00:52:35:355 2 A. Not that I remember.

00:52:37:924 3 Q. Okay. Sir, let's direct your attention

00:52:42:262 4 to the Class V III.

00:52:44:998 5 Do you recall when consideration was

00:52:49:002 6 first given at Citigroup to entering or -- enter or

00:52:53:373 7 having a CDO squared with Credit Suisse?

00:53:02:315 8 A. Yeah. I have an idea of that, yes.

00:53:04:250 9 Q. Approximately when did that occur, sir?

00:53:06:987 10 A. My first involvement was late October.

00:53:09:189 11 Q. And what was your first involvement?

00:53:12:592 12 A. I was asked -- Donald and Sohail and

00:53:17:998 13 maybe Shalabh asked me to structure a CDO that was

00:53:23:503 14 going to be a prop trade where Donald was going to

00:53:26:306 15 take some sort of position in a CDO.

00:53:29:209 16 Q. You said Donald. Would that be

00:53:31:010 17 Donald Quintin?

00:53:31:811 18 A. Yes.

00:53:32:612 19 Q. Sohail, who is that?

00:53:33:646 20 A. Sohail Kahn and the sales desk.

00:53:35:949 21 Q. And who was the other individual?

00:53:38:652 22 A. Shalabh Mehrish.

00:53:39:619 23 Q. Shalabh Mehrish. And they approached

00:53:41:421 24 you in, you believe, October?

00:53:44:357 25 A. Yeah.

Page 51

00:54:29:232 1 Stoker - May 3, 2012

00:54:29:302 2 THE VIDEOGRAPHER: This marks the start

00:54:29:803 3 of tape No. 2. We're back on the record at

00:54:31:371 4 10:05 a.m.

00:54:32:505 5 BY MR. INFELISE:

00:54:33:440 6 Q. All right. Mr. Stoker, when we broke, I

00:54:35:909 7 was asking about when you recalled discussions about

00:54:41:648 8 the CDO squared with Credit Suisse.

00:54:44:551 9 Let me show you what's been previously

00:54:46:286 10 marked as Exhibit 333. And have you had a chance to

00:55:10:810 11 look at Exhibit 333, Mr. Stoker?

00:55:13:012 12 A. I have.

00:55:13:913 13 Q. And it appears to be an e-mail from

00:55:15:749 14 Donald Quintin to Brian Stoker and an Ilias -- is

00:55:23:123 15 that Islamov?

00:55:24:190 16 A. Yes.

00:55:25:191 17 Q. And who is Mr. Islamov?

00:55:26:927 18 A. He was an associate in the structuring

00:55:29:262 19 desk.

00:55:31:564 20 Q. I see. Okay.

00:55:31:698 21 And this is an e-mail dated October

00:55:33:266 22 23rd, 2006.

00:55:34:601 23 Sir, do you recall receiving this

00:55:36:136 24 e-mail?

00:55:36:633 25 A. No.

Page 50

00:53:45:291 1 Stoker - May 3, 2012

00:53:47:861 2 Q. And do you recall which of those

00:53:49:562 3 individuals first approached you?

00:53:51:131 4 A. I don't.

00:53:52:599 5 Q. And you said that you were told it was

00:53:54:501 6 going to be a -- you said a prop trade, the secondary

00:53:58:705 7 desk?

00:53:59:272 8 A. Yes.

00:54:00:006 9 Q. And when you say prop, what do you

00:54:01:407 10 mean -- is that a short for proprietary?

00:54:03:643 11 A. Yes.

00:54:04:210 12 Q. All right. And what was your

00:54:05:312 13 understanding of what a proprietary trade was at that

00:54:07:580 14 time?

00:54:08:314 15 A. A trade where the trading desk was going

00:54:09:883 16 to take some sort of position in the trade, in the

00:54:12:118 17 CDO.

00:54:12:485 18 Q. All right.

00:54:19:192 19 MR. INFELISE: We have five minutes left

00:54:20:460 20 on the tape, so let's go ahead and take a break

00:54:21:961 21 here.

00:54:23:330 22 THE VIDEOGRAPHER: This marks the end of

00:54:23:997 23 tape No. 1. We're going off the record at 9:57,

00:54:27:133 24 a.m.

00:54:29:162 25 (There was a recess taken.)

Page 52

00:55:36:703 1 Stoker - May 3, 2012

00:55:38:104 2 Q. Do you have any reason to believe that

00:55:39:406 3 you did not receive it?

00:55:41:875 4 A. No.

00:55:42:041 5 Q. All right. Now, do you recall the

00:55:47:313 6 circumstances leading up to Mr. Quintin sending you

00:55:50:416 7 this e-mail?

00:55:56:222 8 A. Leading up to?

00:55:57:323 9 Q. Yes.

00:56:00:160 10 A. No.

00:56:00:927 11 Q. Well, you had mentioned earlier that

00:56:02:095 12 there had been some discussions in October concerning

00:56:06:633 13 the possibility of Mr. Grant taking an -- I think you

00:56:10:904 14 said a prop, doing a prop trade.

00:56:13:740 15 Was this e-mail, to your recollection --

00:56:16:576 16 MR. KEKER: Not Mr. Grant.

00:56:17:477 17 MR. INFELISE: Excuse me, I'm sorry.

00:56:18:945 18 Q. Was this e-mail, Mr. Quintin, before or

00:56:21:581 19 after those discussions?

00:56:24:951 20 A. Around that time.

00:56:25:852 21 Q. All right. Did you understand this

00:56:27:520 22 e-mail to be part of Mr. Quintin's attempt to do this

00:56:32:926 23 prop trade that you had talked about?

00:56:35:462 24 A. Yes.

00:56:37:597 25 Q. Okay. And why is it that Mr. Quintin



0053

Page 53

00:56:40:100 1 Stoker - May 3, 2012

00:56:41:267 2 sent this to you, do you recall?

00:56:43:803 3 A. Structurers model deals and to help

00:56:46:506 4 structurers model deals, structurers can put in names

00:56:49:943 5 into the deal, into our models.

00:56:52:712 6 Q. I see. And prior to this occasion,

00:56:54:981 7 October 23rd, 2006, did Mr. Quintin ever send you a

00:56:59:152 8 list of assets stating that these were assets in

00:57:04:023 9 which he wished to purchase protection?

00:57:07:594 10 A. Prior to this, he wrote we buy

00:57:09:295 11 protection. I don't know if it was his intention or

00:57:12:265 12 that's what he wrote here.

00:57:12:932 13 Q. All right. But what I guess -- my

00:57:15:035 14 question was prior to this e-mail, October 23rd,

00:57:18:371 15 2006, did Mr. Quintin ever send you an e-mail in

00:57:22:175 16 which he indicated his desire to buy protection on

00:57:25:445 17 specific assets?

00:57:26:813 18 A. I don't remember.

00:57:28:448 19 Q. You don't remember it happened or you

00:57:30:050 20 don't -- it didn't happen?

00:57:31:685 21 A. I don't remember this e-mail. I don't

00:57:32:886 22 remember, you know, what happened before this.

00:57:36:456 23 Q. Okay. Do you recall any other occasion

00:57:38:324 24 in which there was any discussions between you and

00:57:41:027 25 Mr. Quintin concerning his desire to do a prop trade

Page 54

00:57:46:566 1 Stoker - May 3, 2012

00:57:47:367 2 with respect to specific assets?

00:57:50:036 3 A. I never -- I was -- I wouldn't speak to

00:57:52:305 4 him about specific assets. I spoke to him. I knew

00:57:54:507 5 he wanted to do -- was interested in doing a sort of

00:57:56:743 6 prop trade, but what he was going to do as far as

00:58:02:015 7 what position he was going to take, was unclear.

00:58:04:284 8 Q. All right. And prior to the discussion

00:58:07:787 9 in October of 2006, do you recall Mr. Quintin

00:58:10:323 10 specifically talking to you about doing a prop trade

00:58:13:827 11 and -- with respect to any specific assets or any

00:58:17:197 12 CDO?

00:58:19:332 13 A. Prior to this?

00:58:20:100 14 Q. Yes.

00:58:20:533 15 A. Not particularly, no.

00:58:40:954 16 Q. All right. The discussion with

00:58:42:589 17 Mr. Quintin, and I think you said Mr. Mehrish and

00:58:46:026 18 Mr. Khan, concerning the prop trade, did you tell

00:58:49:729 19 Mr. Pinniger about that?

00:58:53:833 20 A. Well, in October, I was working with

00:58:55:101 21 Ilias Islamov on the deal, so I did not talk with

00:58:59:506 22 Keith.

00:59:00:240 23 Q. Did you speak with Mr. Islamov about it?

00:59:03:143 24 A. Yes.

00:59:04:110 25 Q. And what did you tell him?

Page 55

00:59:04:911 1 Stoker - May 3, 2012

00:59:07:947 2 A. I don't recall.

00:59:13:687 3 Q. When you were -- strike that. We'll

00:59:16:589 4 come back to that.

00:59:24:764 5 Did you have any understanding what

00:59:26:533 6 Mr. Quintin wanted you to do with this list other

00:59:30:336 7 than, as you said, to use them for purposes of

00:59:34:607 8 structuring a deal?

00:59:37:110 9 MR. KEKER: Objection. Misstates his

00:59:39:212 10 testimony. That's not what he said.

00:59:40:914 11 Q. I'm sorry if I misstated your testimony.

00:59:43:183 12 Let's go back.

00:59:44:117 13 What was your understanding of what it

00:59:46:286 14 was Mr. Quintin wanted you to do with this list of

00:59:50:356 15 assets?

00:59:52:692 16 A. Structurers put these assets into a

00:59:54:928 17 model and model a CDO to see what the equity returns

00:59:58:765 18 would be.

00:59:59:866 19 Q. All right. And was your understanding

01:00:02:001 20 that Mr. Quintin wanted you to do anything else other

01:00:05:472 21 than that with this list of assets?

01:00:10:143 22 A. No.

01:00:29:062 23 Q. Sir, you had indicated at the time you

01:00:31:564 24 received this e-mail, October 23rd, 2006,

01:00:34:301 25 Mr. Pinniger was not working with you.

Page 56

01:00:38:405 1 Stoker - May 3, 2012

01:00:40:607 2 When you said that Mr. Pinniger began to

01:00:43:376 3 assume more responsibility for Class V Funding III,

01:00:46:913 4 did you tell him about this e-mail that you received

01:00:49:416 5 back in October 23rd, 2006 from Mr. Quintin?

01:00:52:385 6 A. No.

01:00:55:021 7 Q. Do you recall whether or not there was

01:01:00:326 8 any discussions at or near the time you received that

01:01:04:164 9 list on October 23rd, with Mr. Grant concerning a

01:01:09:002 10 prop trade?

01:01:13:306 11 A. Around this time, I was informing -- I

01:01:15:642 12 tried to keep Darius up to date on deals I was

01:01:17:811 13 working on.

01:01:23:350 14 Q. I'm going to show you what was

01:01:25:085 15 previously marked as Exhibit 335.

01:01:32:759 16 MR. INFELISE: And Exhibit 335 is Bates

01:01:54:814 17 numbered CITI 18130043.

01:02:01:688 18 A. Okay.

01:02:06:793 19 Q. Have you had a chance to read through

01:03:07:020 20 Exhibit 335, sir?

01:03:08:488 21 A. I have.

01:03:09:522 22 Q. And your top e-mail appears to be from

01:03:12:459 23 Darius Grant to several addressees, one of them being

01:03:15:996 24 Brian Stoker.

01:03:16:763 25 Sir, do you have any recollection of

0069

Page 69			Page 71		
01:20:47:747	1	Stoker - May 3, 2012	01:24:19:726	1	Stoker - May 3, 2012
01:21:00:026	2	Q. All right, sir. I showed you Exhibit	01:24:20:693	2	were making -- shorting single A assets into the
01:21:11:872	3	322 which was the e-mail on October 26th when you	01:24:25:265	3	deal; is that accurate?
01:21:16:643	4	talked about doing some modeling or looking at	01:24:28:735	4	A. Yes.
01:21:21:481	5	different structures.	01:24:29:402	5	Q. And does that mean actually purchase
01:21:23:383	6	It should probably be very close to the	01:24:31:805	6	protection on the synthetic single A assets that were
01:21:24:784	7	top of your list.	01:24:34:541	7	going to go into this deal?
01:21:26:686	8	A. Yes.	01:24:36:843	8	A. Yes.
01:21:27:086	9	Q. There it is.	01:24:56:129	9	Q. Okay. Sir, take a look again back at
01:21:28:388	10	Do you recall after this e-mail having	01:24:57:764	10	Exhibit 333. It's the October 20 -- I think third
01:21:30:624	11	any further communications with Mr. Quintin	01:25:01:501	11	e-mail from Mr. Quintin to you.
01:21:34:327	12	concerning taking a short position on specific assets	01:25:09:509	12	Do you recall, sir, what, if anything,
01:21:39:933	13	for that proprietary trade?	01:25:11:211	13	you did with this list?
01:21:42:502	14	A. No.	01:25:13:213	14	MR. KEKER: Asked and answered.
01:21:42:702	15	Q. Do you recall having any discussions	01:25:15:815	15	A. I think a few days later, I was asked to
01:21:45:639	16	with Mr. Grant on that issue?	01:25:22:922	16	send it to Sohail, or I sent it to Sohail.
01:21:48:074	17	A. No.	01:25:26:660	17	Q. Who was it that asked you to send it to
01:21:55:281	18	MR. INFELISE: I ask the court reporter	01:25:28:662	18	Sohail -- Mr. Khan, correct?
01:21:56:750	19	to mark the next exhibit as Exhibit 746.	01:25:30:931	19	A. Yes.
01:22:05:592	20	(Exhibit 746, E-Mail, Bates No. CITI	01:25:31:598	20	Q. Who was it who asked you to send it to
01:22:06:125	21	19476072, marked for identification, as of this	01:25:32:732	21	Mr. Khan?
01:22:06:393	22	date.)	01:25:34:500	22	A. I don't recall.
01:22:37:023	23	MR. INFELISE: And for the record,	01:25:35:969	23	Q. And I'm going to show you what's been
01:22:38:058	24	Exhibit 746 is a one-page document, Bates	01:25:37:470	24	previously marked as Exhibit 371.
01:22:41:194	25	numbered CITI 19476072.	01:25:41:908	25	Sir, have you had a chance to look at
Page 70			Page 72		
01:22:51:004	1	Stoker - May 3, 2012	01:25:48:582	1	Stoker - May 3, 2012
01:23:08:722	2	A. Okay.	01:25:54:754	2	Exhibit 371?
01:23:09:122	3	Q. All right, sir. And this appears to be	01:25:55:956	3	A. I have.
01:23:10:724	4	an e-mail from Brian Stoker on October 27th to Brian	01:25:56:890	4	Q. And it's from -- appears to be from
01:23:16:663	5	Carosielli, Donald Quintin and Shalabh Mehrish.	01:25:58:525	5	Brian Stoker to Sohail Kahn copied to a Marek -- I'll
01:23:20:967	6	Sir, do you recall sending this e-mail?	01:26:05:932	6	try this, Troszczynski?
01:23:28:041	7	A. It rings a bell.	01:26:07:801	7	A. Troszczynski.
01:23:29:509	8	Q. So you have no reason to believe you	01:26:08:802	8	Q. Who is Mr. Troszczynski?
01:23:32:078	9	didn't send it?	01:26:12:005	9	A. He was an analyst or associate in the
01:23:33:113	10	A. No.	01:26:14:741	10	structuring group.
01:23:33:613	11	Q. And also copied on this is Mr. Grant,	01:26:15:575	11	Q. All right. And sir, do you recall
01:23:35:749	12	Darius Grant.	01:26:17:577	12	sending this e-mail?
01:23:39:019	13	Sir, the attachment says some --	01:26:19:979	13	A. No, I don't.
01:23:41:688	14	subject, CDO squared deal summary.XLS.	01:26:21:481	14	Q. Do you have any reason to believe you
01:23:46:893	15	Sir, was the purpose of this to provide	01:26:22:515	15	did not?
01:23:50:730	16	these individuals to which this e-mail is addressed,	01:26:22:715	16	A. No, I don't.
01:23:53:133	17	information concerning what your modeling showed?	01:26:24:484	17	Q. All right. And you had said you recall
01:23:57:504	18	A. I'm sorry, I apologize. Could you	01:26:27:086	18	that someone had told you to forward the list,
01:23:59:572	19	repeat the question, please.	01:26:29:923	19	Exhibit 333, to Mr. Khan.
01:24:00:407	20	Q. Okay. Sir, was the purpose of this	01:26:33:159	20	A. Well, I don't remember -- I must have --
01:24:02:976	21	e-mail to provide information to the individuals	01:26:35:095	21	somebody must have asked me, but I don't remember
01:24:07:614	22	addressed -- to which it was addressed, concerning	01:26:37:097	22	who. I don't know if somebody asked me, but somebody
01:24:09:883	23	what your modeling of the CDO squared deal showed?	01:26:38:865	23	must have.
01:24:15:455	24	A. Yes.	01:26:39:799	24	Q. If you would look, compare 371 to 333,
01:24:16:189	25	Q. And one of the assumptions were that you	01:26:45:872	25	the list of names on both exhibits. Are these